

04 December 2019

By Koh Huat Soon / hskoh@kenanga.com.my

Figure 1: Daily Charting – FBMKLCI



Source: Bloomberg, Kenanga Research

Basic Data				Technical Ratings			
52-week High	1,732.27			Resistance 2	1,650	MACD	Bearish
52-week Low	1,548.45	KLCI Vol	85.94	Resistance 1	1,630	RSI (14)	Neutral
Current Level	1,562.27	Bursa Vol	2336.5	Current Level	1,562.27	Stochastic	Oversold
Intraday High	1,568.85	Bursa Val	1735.37	Support 1	1,550		
Intraday Low	1,556.17			Support 2	1,540	Outlook	Bullish

Asian market closed lower with negative trade development

- Asian stocks declined as investors reacted negatively on Trump reinstating tariffs on U.S steel and aluminium imports from Brazil and Argentina.
- Back home, the FBMKLCI declined by 8.28 points (-0.53%) to close at 1,562.27.
- Chart-wise, the index has broken below all the key SMAs coupled with bearish signal from MACD, however, the stochastic is at oversold level, hence we do not discount the possibility of rebounding in near future.
- From here on, overhead resistance can be seen at 1,630 (R1) and 1,650 (R2).
- Conversely, key support levels can be found at 1,550 (R1) and 1,540 (R2).

Wall Street ended lower as trade tensions escalate

- Wall Street closed lower as President Trump hints at a possibility of the trade deal being delayed until after the U.S presidential elections in November 2020.
- The Dow Jones plunged by 280.23 points (-1.01%) to close at 27,502.81.
- Chart-wise, the index fell below its 20-day SMA accompanied with a bearish MACD indicator, signalling the market on a possible change on its upward trend. However, since the index did not break below the previous low, our major outlook still remains intact until further confirmation.
- With that, key resistance are at 28,400 (R1) and 28,700 (R2), while support levels can be seen at 27,100 (S1) and 26,600 (S2).

Daily technical highlights – (JAKS,FRONTKN)

JAKS (Not Rated)

- JAKS gained 4.0sen (+3.31%) to close at RM1.25.
- Chart-wise the share has been on an uptrend since early-October.
- Yesterday's bullish candlestick found support near its 20-Day SMA. Coupled with an uptick in RSI while its MACD appears to be staging a bullish MACD crossover, we thus expect the share to trend higher.
- Should the share head north, key resistance can be found at RM1.35 (R1) and RM1.45 (R2)
- Conversely, key support levels are found at RM1.15 (S1) and RM1.00 (S2)

FRONTKN (Not Rated)

- FRONTKN gained 11.0sen (+5.56%) to end at RM2.09 yesterday.
- Chart-wise, the share has been on an uptrend since mid-December last year.
- Yesterday's candlestick closed higher with the formation of a "Marubozu" candlestick, signifying strong buying interest. Given an uptick in all key technical indicators, we expect more upside to be seen.
- Should buying momentum persist, key resistance can be found at RM2.15 (R1) and RM2.30 (R2).
- Conversely, downside supports can be identified at RM1.95 (S1) and RM1.70 (S2).

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Figure 2: Daily Charting – Dow Jones Industrial Average

Figure 3: Daily Charting – Jaks Resources Bhd (Not Rated)

About the stock:

Name	Jaks Resources Bhd
Bursa Code	JAKS
CAT Code	4723
Shariah Compliant	Yes
Market Cap	803.9
52 Week High/Low	1.43/0.41
3-m Avg. Daily Vol.	16,853,480.00
Free Float (%)	69.36%
Beta vs. KLCI	1.332

Key Support & Resistance Levels

Resistance	RM1.35 (R1)	RM1.45 (R2)
Support	RM1.15 (S1)	RM1.00 (S2)
Outlook	Bullish	

What does the indicator says

MACD	Neutral
RSI	Neutral
Stochastic	Neutral
Trend	Bullish

What should you do

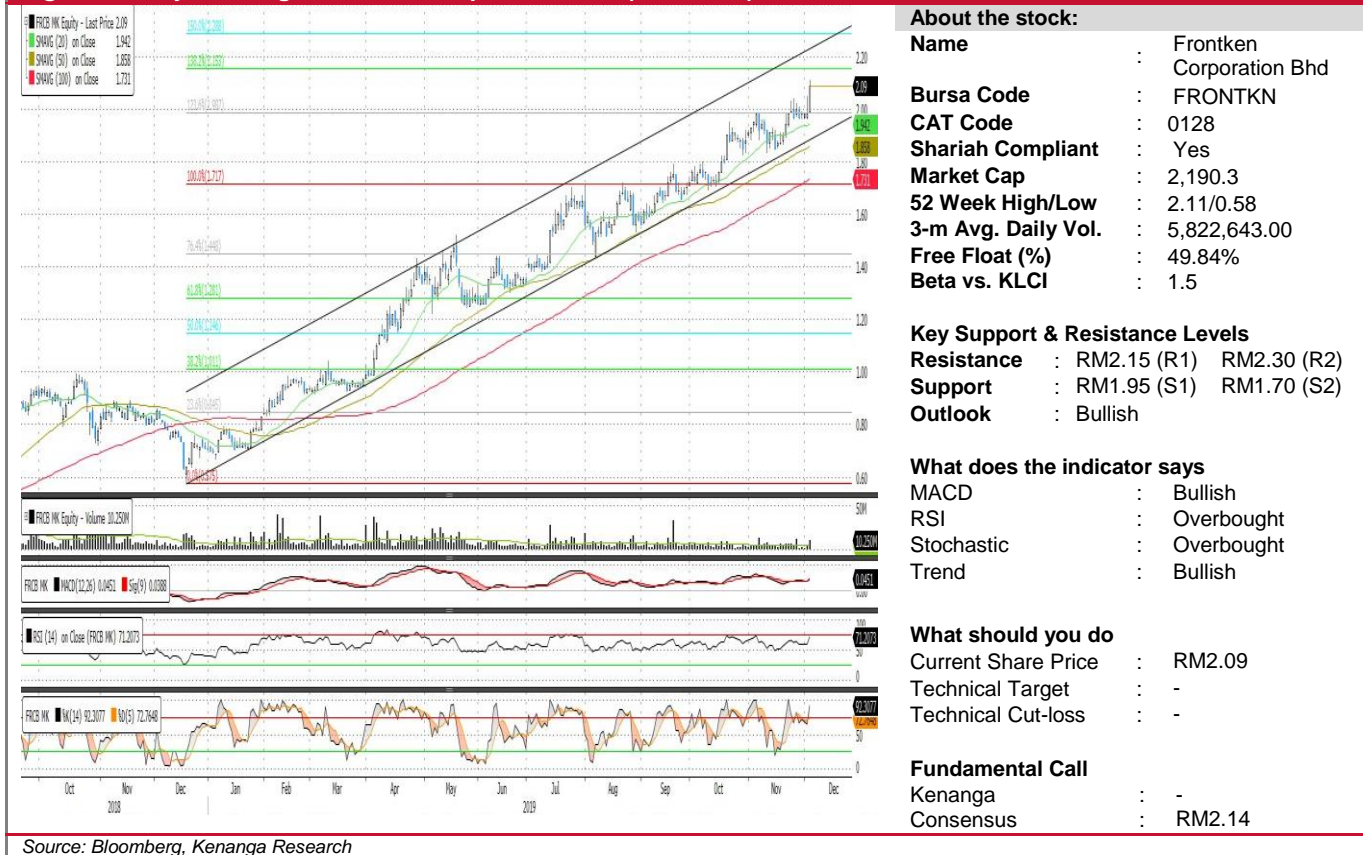
Current Share Price	RM1.25
Technical Target	-
Technical Cut-loss	-

Fundamental Call

Kenanga	-
Consensus	RM1.10

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Figure 4: Daily Charting – Frontken Corporation Bhd (Not Rated)



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Unrealised Positions (December 2019)

No	CATS Code	Stock Name	Issued Date (ID)	Price @ ID	Target Price	Stop-Loss	Upside Potential @ ID	Downside Risk @ ID	Reward/Risk Ratio @ ID	Last Price	Dividend Received since ID	Gain/Loss (incl. Div.)	Gain/Loss	Rating	Comment/ Action
					RM	RM	(%)	(%)	(x)	RM	RM	RM	(%)		
1	6599	AEON CO (M) BHD	28-Sep-18	1.740	1.950	1.620	12.07%	-6.90%	1.8	1.630		-0.27	-15.52%	BUY	
2	0080	STRAITS INTER LOGISTICS BHD	22-Feb-19	0.240	0.300	0.200	25.00%	-16.67%	1.5	0.215		-0.03	-10.42%	BUY	
3	7579	AWC BERHAD	27-Feb-19	0.770	0.865	0.675	12.34%	-12.34%	1.0	0.605		-0.17	-21.43%	BUY	
		Simple Average					16.47%	-11.97%	1.42				-15.79%		

*Tracker does not include Non-Rated positions

Realised Positions (December 2019)

No	CATS Code	Stock Name	Issued Date	Buy Price	Price since Buy Date	Price change since Buy Date (%)	Sell Date	Sell Price	Dividend Received since ID	Gain/Loss (incl. Div.)	Gain/Loss	Rating	Comment/ Action
					(H) (L)	(H) (L)		RM	RM	RM	(%)		
		Simple Average											

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Basic Technical Terms:

Reversal Candlesticks	Patterns	Description
Doji Dragonfly Doji (Bullish) Gravestone Doji (Bearish)		Dojis form when a security's open and close are virtually equal. The length of the upper and lower shadows can vary, and the resulting candlestick looks like, either, a cross, inverted cross, or plus sign. Doji convey a sense of indecision or tug-of-war between buyers and sellers.
Engulfing Pattern		A reversal pattern that can be bearish or bullish, depending upon whether it appears at the end of an uptrend (bearish engulfing pattern) or a downtrend (bullish engulfing pattern). The first day is characterized by a small body, followed by a day whose body completely engulfs the previous day's price action.
Hammer (Bullish) Shooting Star (Bearish)		Hammer candlesticks form when a security moves significantly lower after the open, but rallies to close well above the intraday low. This appears in a downtrend. In contrast, the Shooting Star pattern appears in an uptrend. It opens higher, trades much higher, then closes near its open. It looks just like the Inverted Hammer except that it is bearish.
Inverted Hammer (Bullish) Hanging Man (Bearish)		The Inverted Hammer is a single-day bullish reversal pattern. In a downtrend, the open is lower, then it trades higher, but closes near its open price, therefore looking like an inverted lollipop. Hanging Man candlesticks form when a security moves significantly lower after the open, but rallies to close well above the intraday low.
Harami Harami Cross		The Harami is a two-day pattern that can be bullish or bearish. It has a small body day completely contained within the range of the previous body, and is the opposite colour. The Harami Cross is similar to the Harami. The difference is that the last day is a Doji.
Marubozu		A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both.
Morning Doji Star (Bullish) Evening Doji Star (Bearish)		A Morning Doji Star (Evening Doji Star) is a three-day candlestick bullish (bearish) reversal pattern - a long-bodied black (white) candle extending the current downtrend, a short middle candle that gapped down (up) on the open, and a long-bodied white candle that gapped up (down) on the open and closed above (below) the midpoint of the body of the first day.
Spinning Top		Spinning Tops are candlestick lines that have small bodies with upper and lower shadows that exceed the length of the body. They are similar to the Doji candlesticks, and signal indecision.

Source: Various

Common Chart Patterns					
Reversal Patterns	Inverted Head & Shoulders (Bullish)	Head & Shoulders (Bearish)	Wedge Reversal (Bullish/ Bearish)	Double Top (Bearish)	Double Bottom (Bullish)
Continuation Patterns	Symmetrical Triangle (Bullish/ Bearish)	Ascending Triangle (Bullish)	Channels (Bullish/ Bearish)	Flags (Bullish/ Bearish)	Pennant (Bullish/ Bearish)

Source: Various

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KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my